



The Market Place

- Global equities returned +1.4% last week
- Measures of expected inflation showed a continuation of recent trends and increased over the week
- Brent Crude rose +0.8% last week to \$85.5 a barrel
- Gold rose +1.4% last week to \$1792.6 per ounce

US

US equities returned +1.7% last week with all major indices hitting all-time highs intraweek on the back of positive earnings surprises

Treasury Secretary Janet Yellen says she expects price increases to remain high through the first half of 2022, but rejected criticism that the U.S. risks losing control of inflation

US 5-year breakevens increased +14.9bps (-1.0bps on Friday) to 2.9%, the highest level since 5-year TIPS began trading

Initial jobless claims in the week ending October 16 came in at 290k (vs. 297k expected), the lowest level since the onset of the the pandemic

September's existing home sales rose to an annualised rate of 6.3m (vs. 6.1m expected)

Europe

Continental European equities rose by +0.9% last week

The final Euro Area CPI reading for August came in unchanged from preliminary estimates of +3.0% year-on-year and +0.4% month-on-month

Eurozone PMI Composite Output Index fell to 54.3 from 56.2 in September

The French manufacturing confidence index was flat at 107 in October, after the previous month's figure was revised upwards

10-year breakeven inflation in Germany increased +9.5 bps (+3.6bps Friday) to 1.91%, the highest level in a decade

UK

UK equities fell -0.4% last week

CPI data for September came in slightly below expectations at 3.1% (vs. 3.2% expected), with core CPI falling to 2.9% (vs. 3.0% expected)

U.K. public sector borrowing rose in September to £21.8 billion, from a revised £16.8 billion in August

Bank of England's Chief Economist Huw Pill announced that the rate-setting decision in November is 'live'. The debate on whether to hike is 'finely balanced' he said, adding that the inflation surge is 'uncomfortable'

The UK PMI Composite Output Index unexpectedly rose to a three-month high of 56.8, driven by a pickup in services

U.K. retail sales including autos fuel fell 0.2% month on month in September, missing estimates for modest growth

Asia / ROW

The benchmark Global Emerging Markets index returned +0.7% last week

Japanese equities fell -1.1% last week

Chinese Equities rose by +3.7% last week

China's property market continues to be in focus after home prices fell (albeit by -0.1% in September, their first monthly decline since April 2015)

Japanese service PMI rose to 50.7 (vs. 47.8 in Sep), which is the first reading over the expansionary 50+ level since January 2020

Performance

Asset Class/Region	Currency				
		Week ending 22 Oct 2021	Month to date	YTD 2021	12 Months
Developed Market Equities					
United States	USD	1.7%	5.6%	22.0%	33.0%
United Kingdom	GBP	-0.4%	1.8%	15.8%	30.1%
Continental Europe	EUR	0.9%	4.0%	20.1%	32.5%
Japan	JPY	-1.1%	-1.4%	13.1%	26.2%
Asia Pacific (ex Japan)	USD	1.6%	3.8%	1.6%	15.2%
Australia	AUD	0.7%	1.1%	16.1%	24.4%
Global	USD	1.4%	4.9%	18.5%	32.0%
Emerging markets equities					
Emerging Europe	USD	-0.9%	5.2%	29.7%	61.2%
Emerging Asia	USD	1.6%	3.7%	-0.6%	12.2%
Emerging Latin America	USD	-7.1%	-4.2%	-9.5%	12.5%
BRICs	USD	1.0%	4.9%	-2.0%	6.8%
China	USD	3.7%	7.8%	-10.2%	-5.8%
MENA countries	USD	1.8%	3.6%	32.2%	37.4%
South Africa	USD	-0.9%	4.2%	8.5%	25.7%
India	USD	-1.1%	1.9%	27.6%	51.5%
Global emerging markets	USD	0.7%	3.2%	2.0%	16.1%
Bonds					
US Treasuries	USD	-0.4%	-0.5%	-3.3%	-3.1%
US Treasuries (inflation protected)	USD	0.1%	1.2%	4.6%	6.7%
US Corporate (investment grade)	USD	-0.5%	-0.5%	-1.8%	1.3%
US High Yield	USD	-0.1%	-0.3%	4.3%	9.3%
UK Gilts	GBP	-0.3%	-0.3%	-7.9%	-6.4%
UK Corporate (investment grade)	GBP	-0.3%	-0.7%	-4.5%	-0.8%
Euro Government Bonds	EUR	-0.4%	-0.4%	-3.3%	-2.5%
Euro Corporate (investment grade)	EUR	-0.4%	-0.6%	-0.9%	0.2%
Euro High Yield	EUR	-0.2%	-0.6%	3.0%	7.1%
Japanese Government	JPY	-0.2%	-0.2%	-0.3%	-0.3%
Australian Government	AUD	-0.9%	-2.0%	-3.8%	-4.6%
Global Government Bonds	USD	-0.2%	-0.4%	-6.0%	-3.9%
Global Bonds	USD	-0.2%	-0.4%	-4.8%	-2.3%
Global Convertible Bonds	USD	0.4%	1.7%	0.5%	9.8%
Emerging Market Bonds	USD	-0.7%	-0.6%	-4.7%	0.3%



Performance

Asset Class/Region	Currency				
		Week ending 22 Oct 2021	Month to date	YTD 2021	12 Months
Property					
US Property Securities	USD	1.9%	7.4%	31.2%	42.6%
Australian Property Securities	AUD	2.9%	3.2%	15.2%	25.0%
Asia Property Securities	USD	1.3%	1.9%	3.7%	12.0%
Global Property Securities	USD	1.6%	5.3%	19.0%	31.9%
Currencies					
Euro	USD	0.3%	0.5%	-4.9%	-1.6%
UK Pound Sterling	USD	0.0%	2.2%	0.8%	5.0%
Japanese Yen	USD	0.7%	-1.8%	-9.0%	-7.6%
Australian Dollar	USD	0.7%	3.5%	-3.0%	4.9%
South African Rand	USD	-1.1%	2.2%	-0.9%	9.8%
Swiss Franc	USD	0.8%	1.9%	-3.5%	-1.0%
Chinese Yuan	USD	0.8%	0.9%	2.2%	4.7%
Commodities & Alternatives					
Commodities	USD	0.0%	5.7%	44.0%	60.2%
Agricultural Commodities	USD	0.6%	2.0%	26.9%	41.5%
Oil	USD	0.8%	8.9%	65.1%	101.4%
Gold	USD	1.4%	2.0%	-5.4%	-5.7%
Hedge funds	USD	0.2%	0.7%	4.5%	8.8%





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For more information, please contact your adviser or alternatively contact:

Belvest Investment Services Limited
研富投資服務有限公司
9th Floor, Centre Mark II
305-313 Queen's Road Central
Sheung Wan, Hong Kong

Tel +852 2827 1199
Fax +852 2827 0270
belvest@bis.hk
www.bis.hk

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